



Gebr. Heinemann Gegründet 1879

New Distribution Concept for Central Asia and Caucasus region

"CCA Heinemann Distribution"

Region Caucasus & Central Asia

Expansion Strategy of GH – Key Points

- > GH is expanding its presence and enhancing its visibility in the Travel Retail market across Central Asia and the Caucasus by establishing a new warehouse in Baku.
- ➤ The new distribution concept will cover the existing operations and unlock new business opportunities.
- ➤ As business activity in the region continues to grow, GH is committed to staying close to its customers.
- ➤ The implementation of an improved logistics and distribution concept is possible through the integration of Baku warehouse systems with GH central operations.

Region Caucasus & Central Asia

Countries and Shops (EECA)

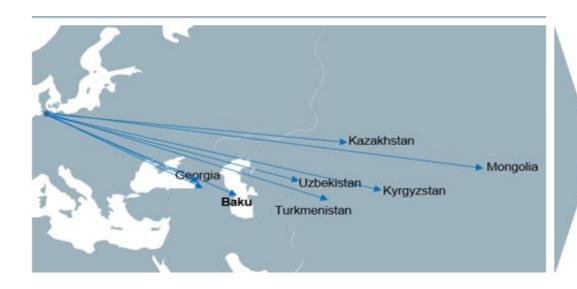
CCA Heinemann will deliver goods to over 40 Duty-Free Shops in 8 countries of Central Asia & Caucasus



The current supply chain vs. CCA Heinemann Distribution concept

Optimization

Current Supply Chain Model



- Long Lead-Time
- High logistics costs & risks during transport via Eastern Europe and Russia

New Supply Chain Model



- Reduction of Lead-Time
- Improvement of the stock availability
- Optimization of logistics costs of air delivery using a multimodal terminal with access to road, rail and sea routes
- Additional Warehouse **Services** (under request)

Set Up of CCA Heinemann Distribution

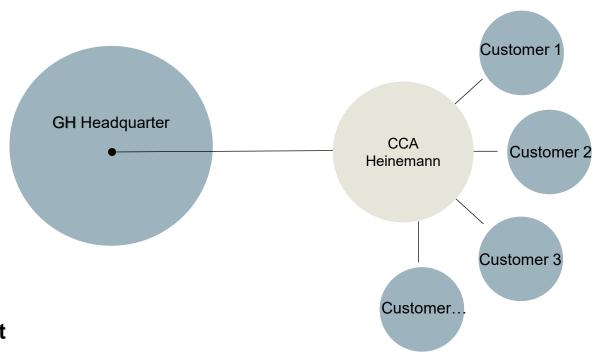
CCA Heinemann – GH's distribution vehicle for Central Asia and Caucasus

<u>CCA Heinemann</u> becomes a **distribution vehicle** = supplier and seller of goods to customers in the region

➤ <u>CCA Heinemann</u> manages & consolidates the stock and ships goods to customers from Baku warehouse (processes customer orders)

➤ GH Headquarter maintains overall customer relations, ensuring alignment on assortment and pricing (HeiCloud); provides category management services and marketing activities (critical communication & relationship with brands and producers)

➤ GH Headquarter and CCA Heinemann Distribution share data about flow of goods to ensure transparency.



Geographical position of CCA Heinemann Distribution

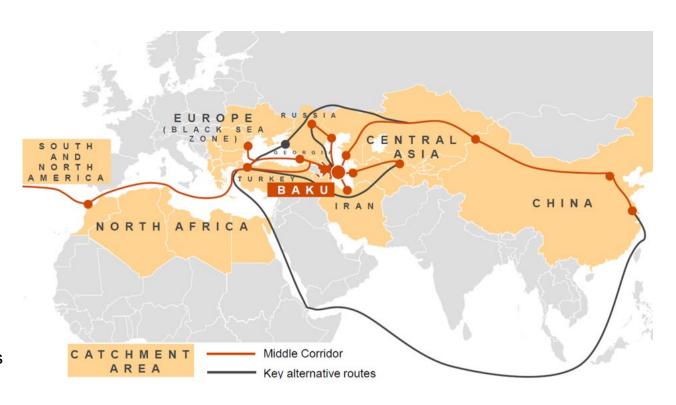
Central and well connected



"We've been serving you as a hub alongside the ancient silk road… we still do!"

- Key Azerbaijani port located in the center of the Middle Corridor
- Short and fast cargo transportation between China and Black Sea Europe
- Infrastructure development by Kazakhstani, Azerbaijani, Georgian railways and partner ports
- Key route connecting Central Asia and Western countries

Port of Baku is the first green port in the Caspian region





Thank you for your cooperation!

Gebr. Heinemann SE & Co.KG

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